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UNCLAS PORT AU PRINCE 002571

SIPDIS

SENSITIVE

STATE FOR WHA/CAR
EB/IFD/OMA
EB/IFD/ODF
WHA/EPSC
INR/IAA/MAC
S/CRS
TREASURY FOR MAUREEN WAFER
USDOC FOR 4322/ITA/MAN/WH/OLAC (SMITH, S.)

E.O. 12958: N/A

TAGS: [EFIN](#) [ECON](#) [PREL](#) [PGOV](#) [HA](#)

SUBJECT: HAITI: IMF VOTE POSTPONED DUE TO UNANTICIPATED GOVERNMENT SPENDING

REF: PORT AU PRINCE 02519

[¶11.](#) (U) The October 14 IMF Board meeting scheduled to vote on the EPCA II program for Haiti was delayed due to new, unanticipated spending by the Interim Government of Haiti (IGOH).

[¶12.](#) (SBU) Econ Counselor spoke to a contact in the Ministry of Finance October 15 who explained that the new spending was a bonus to civil service employees, equivalent to about 70 percent of their monthly salaries, to buy school clothing and school supplies. Most children in Haiti attend private schools where they are required to purchase their own uniforms and supplies. This is a significant financial burden to parents and it is traditional for employers to help with this expense. It has not been historically traditional for the IGOH to pay a bonus, although they have for the past two years. The IGOH had planned to give the bonus in October, however, since the IGOH was running a slight financial surplus at the end of September, it decided to move up disbursement of the bonus by one month.

[¶13.](#) (SBU) Econ Counselor also spoke to the outgoing and incoming IMF ResReps on October 15 who confirmed the account from the Ministry of Finance official. The ResReps said that they were aware of the bonus and had expected it to be paid, but not in September. They added that in their opinion the IGOH's action was not a major violation of its agreement with the IMF. They said they expected there to be an informal meeting at the IMF on October 17 to discuss the matter, with an agreement to reschedule the vote for October

[¶19.](#)
CARNEY